

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2020-275-S**

IN RE: Application of Condor Environmental,	)	
Incorporated Requesting an Expansion of Its	)	<b>REPORT OF THE OFFICE OF REGULATORY STAFF</b>
Existing Sewer Service Areas to Include	)	
Certain Portions of Anderson County and	)	
Saluda County, and Approval of Agreements	)	
(Request for Expedited Review)	)	

In Order No. 2020-792, the Public Service Commission of South Carolina (“Commission”) asked the South Carolina Office of Regulatory Staff (“ORS”) to provide the results of its discovery and/or review of Condor Environmental, Inc. (“Condor” or the “Company”) and its Application Requesting an Expansion of Its Existing Sewer Service Area to Include Certain Portions of Anderson County and Saluda County and Approval of Agreement (“Application #3”) and Motion to Allow Service on a Provisional Basis (“Motion”) to the Commission within ten (10) days from the Order, or if not ready or available, for the ORS to provide a status report. ORS has not completed its discovery or review of Application #3 and ORS therefore offers this Status Report in response to Order No. 2020-792.

**ORS Activities prior to Docket No. 2020-275-S**

On August 13, 2020, Condor submitted an application (“Application #1”) to request expansion of its existing sewer service areas to include certain portions of Anderson County and Saluda County, and approval of agreements for the Carriage Hill Subdivision (“Carriage Hill”) and Palmetto Pointe Subdivision (“Palmetto Pointe”). The Commission assigned Docket No. 2020-192-S to Application #1. The Commission, through Order No. 2020-557 on August 18, 2020, requested Condor respond to certain Commission questions regarding Application #1. Condor provided responses to the Commission on August 25, 2020. On September 3, 2020, ORS issued its first and continuing request for books, records, and other information to Condor (“AIR 1”) by service on Condor’s former attorney Dan Trammel with a requested return date of September 25,

2020. A copy of AIR 1 is attached as Exhibit A and AIR 1 was filed with the Commission on September 3, 2020. On September 20, 2020, Condor filed an application (“Application #2”) for the expansion of its existing sewer service area to include certain portions of Pickens County and Saluda County, and approval of agreements for Carriage Hill and Palmetto Pointe in existing Docket No. 2018-231-S.

Between September 21 and September 24, 2020 ORS and Condor discussed Applications #1 and #2. On September 25, 2020, Condor filed Motions for leave to withdraw Applications #1 and #2 which the Commission granted in Order No. 2020-662. As of the date of the ORS Status Report, Condor has not provided a complete response to ORS AIR 1 issued in Docket No. 2020-192-S. Condor did express that it was willing to cooperate with ORS to improve its compliance with Commission rules and regulations.

On September 25, 2020, ORS notified Condor via email that the current performance bond surety must be updated to reflect the change of ownership disclosed by Condor during its discussions with ORS and a requirement for increased surety based on the 2019 Annual Report. ORS also requested that Condor review and update the Authorized Utility Representative Form (“AUR”). ORS received an updated AUR from Condor on September 26, 2020 which was subsequently filed with the Commission in Docket No. 2010-148-A on September 28, 2020. On October 1 and October 2, ORS reviewed drafts of Condor’s performance bond surety, a Financial Statement, and provided technical assistance to Condor. Condor submitted a complete performance bond surety to ORS on October 2, 2020.<sup>1</sup> ORS subsequently provided the performance bond surety to the Commission

On October 5, 2020, Condor filed an application for approval to transfer stock from Samuel Weaver to Brad Weaver and Jason Weaver (Docket No. 2020-239-S). ORS identified that the Performance Bond Agreement form on file with the Commission listed the name of Samuel Weaver and an amount of \$100,000. ORS recommended to Condor that an updated Performance Bond Agreement form would be required to reflect the name of one of the new owners and a new amount.<sup>2</sup> Condor submitted an updated Performance Bond Agreement form to ORS on October

---

<sup>1</sup> This was responsive to AIR 1-16.

<sup>2</sup> ORS’s recommended bond amount provided to Condor on September 25, 2020 included the pro-forma expenses for Carriage Hill and Palmetto Pointe from Docket No. 2020-192-S, which had not been withdrawn at that time. The calculated bond amount provided to the Commission by ORS in Docket No. 2020-239-S did not include the ORS recommendation because Condor withdrew the application and Docket No. 2020-192-S was administratively closed.

12, 2020 and ORS submitted the new Performance Bond Agreement form to the Commission on October 16, 2020. Subsequently, the Commission approved the Condor application for transfer of stock and approved the updated performance bond amount in its December 2, 2020 directive in Docket No. 2020-239-S.<sup>3</sup>

On October 9, 2020, Condor and ORS discussed elements of a future application for expansion of service area to serve Carriage Hill and Palmetto Pointe.

On October 23, 2020, Condor provided to ORS, via e-mail, customer billing statements issued by Condor that were dated September 25, 2020 and other documents related to the agreement between Easley Combined Utilities and Condor.<sup>4</sup> Copies of the billing statements provided by Condor are being filed with this review letter as Exhibit B. Additionally, Condor and ORS held a conference call to discuss certain aspects of the Company's future application.

During a review of the billing statements provided by Condor, ORS identified several discrepancies between the rates billed to customers and the Commission-approved rates for each of Condor's subdivisions. On November 16, 2020, ORS provided the results of the ORS review of Condor billing statements to Condor and requested a response from Condor. A copy of ORS' review of the Condor billing statements is included as Exhibit C. Condor provided a response to ORS on November 23, 2020, which was designated as confidential by the Company.<sup>5</sup> A copy of Condor's response to ORS is attached hereto as a confidential exhibit under seal and is identified as Exhibit D. ORS continues to review the Condor responses related to the ORS review of the billing statements.

### **ORS Status Report on Current Application**

ORS's review of Application #3, which was amended on November 19, 2020, is on-going and ORS issued new discovery to Condor on December 11, 2020. A copy of ORS's current discovery is included as Exhibit E. ORS requested that Condor provide its responses within fifteen (15) business days of receipt of the discovery.

---

<sup>3</sup> The Commission has not yet issued a final Order.

<sup>4</sup> These were responsive to AIR 1-1 and 1-4, respectively.

<sup>5</sup> A portion of Condor's response was also responsive to AIR 1-21.

ORS's review of this matter and Condor's overall compliance with Commission rules and regulations is ongoing. Once the ORS has completed its review, ORS will provide additional information and recommendations to the Commission related to Application #3.

*s/ Jeffrey M. Nelson*

---

Jeffrey M. Nelson, Esquire  
Alexander W. Knowles, Esquire  
**OFFICE OF REGULATORY STAFF**  
1401 Main Street, Suite 900  
Columbia, South Carolina 29201  
Phone: (803) 737-0823  
Fax: (803) 737-0801  
E-mail: [jnelson@ors.sc.gov](mailto:jnelson@ors.sc.gov)  
E-mail: [aknowles@ors.sc.gov](mailto:aknowles@ors.sc.gov)

December 14, 2020  
Columbia, South Carolina

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2020-192-S

September 3, 2020

IN RE: Application of Condor  
Environmental, Incorporated Requesting an  
Expansion of Its Existing Sewer Service  
Areas to Include Certain Portions of  
Anderson County and Saluda County, and  
Approval of Agreements

SOUTH CAROLINA OFFICE  
OF REGULATORY STAFF'S  
FIRST AND CONTINUING  
REQUEST FOR BOOKS,  
RECORDS, AND OTHER  
INFORMATION

TO: ATTORNEY FOR CONDOR ENVIRONMENTAL, INC.:  
DANIEL TRAMMEL, ESQ.

## I. INSTRUCTIONS

The South Carolina Office of Regulatory Staff (“ORS”) hereby requests pursuant to S.C. Code Ann. §§ 58-4-55 and 58-5-230 that Condor Environmental, Inc. (“Condor” or the “Company”) provide responses to the following requests for books, records, and other information electronically and under oath to [kmaurer@ors.sc.gov](mailto:kmaurer@ors.sc.gov), [dhunnell@ors.sc.gov](mailto:dhunnell@ors.sc.gov), [abateman@ors.sc.gov](mailto:abateman@ors.sc.gov), and [aknowles@ors.sc.gov](mailto:aknowles@ors.sc.gov), within fifteen (15) business days of receipt of these requests. If you are unable to respond to any of the requests, or part or parts thereof, please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.

As used in these requests, “identify” means, when asked to identify a person, to provide the full name, business title, address and telephone number. As used in these requests, “address” means mailing address and business address. When asked to identify or provide a document, “identify” and “provide” mean to provide a full and detailed description of the document and the name and address of the person who has custody of the document. In lieu of providing a full and detailed description of a document, a copy of the document may be attached with the identity of the person who has custody of it. When the word “document” is used herein, it means any written, printed, typed, graphic, photographic, or electronic matter of any kind or nature and includes, but is not limited to, statements, contracts, agreements, reports, opinions, graphs, books, records, letters, correspondence, notes, notebooks, minutes, diaries, memoranda, transcripts, photographs, pictures, photomicrographs, prints, negatives, motion pictures, sketches, drawings, publications, and tape recordings.

Wherever in this request a masculine pronoun or possessive adjective appears, it refers to both males and females in accordance with traditional English usage.

## IT IS THEREFORE REQUIRED:

- Pursuant to S.C. Code Ann. § 58-4-55(A) that responses be submitted under oath.
- In addition to the signature and verification at the close of the responses, the witness(es), employee(s), contractor(s), or agent(s) responsible for the information contained in each response shall be indicated at the bottom of each response.
- All information provided shall be provided in electronic form only unless otherwise requested. All information available in Excel spreadsheets shall be provided in Excel. All Excel spreadsheets shall be working copies with all formulas, links and calculations intact.
- All electronic documents provided must be provided in native file format with all formulas, links and calculations intact. Responses containing .pdf documents must be searchable. Each electronic file must be clearly marked with the Response number.
- Any inquiries or communications relating to questions concerning clarification of the information requested below should be directed to Kyle D. Maurer, Sr., PhD, P.E. [803.737.0959], Daniel P. Hunnell [803.737.0780], Andrew Bateman, Esquire [803.737.8440] or Alex Knowles, Esquire [803.737.0889] of ORS.
- That this entire list of requests be reproduced and included in front of each set of responses.
- If the response to any request is that the information requested is not currently available, please advise ORS and state when the information requested will be available and provided to the ORS. This statement is not a waiver of the deadline for all other responses.
- This request is continuing and requires the Company to supplement or amend its responses as any additional information becomes available.
- For every page produced to ORS that contains confidential information, the page is to be marked "CONFIDENTIAL" in the header. Any specific information which the Company designates as confidential information must also be marked by notation, highlighting, or other conspicuous means.

## II. REQUESTS

- 1-1 Provide a copy of the most recent bill statement for one residential customer in each of the subdivisions and/or service area provided sewer collection services by Condor Environmental, Inc. ("Condor" or "Company").

- a. If Condor provides service to non-residential customers such as a Homeowners Association ("HOA"), please provide a copy of the most recent bill statement for one non-residential customer in each of the service areas
  - b. If not already present on each bill statement, please indicate how many units (e.g., households) are being served and the rate being charged per unit during the corresponding billing cycle.
- 1-2 Provide a list of all dockets created by the Public Service Commission of South Carolina ("PSC" or "Commission") in which Condor is or has been a party. The list should include the following information:
  - a. Commission Docket number;
  - b. Commission Order;
  - c. Service Area approved by subdivision name;
  - d. Date of Commission Order; and
  - e. Sewer rate approved by the Commission.
- 1-3 In regard to the Carriage Hill Service Area, provide a detailed calculation and cost justification for the \$14.98 per equivalent residential customers ("ERCs") monthly Condor charge ("Condor Fee").
- 1-4 The Carriage Hill Service Area contract indicates Easley Combined Utilities ("ECU") will be the entity providing wastewater treatment services to the Condor. Provide a detailed calculation, description, and all documents (e.g., ECU rate schedule or other contract, if one exists) and communications between Condor and ECU that relate to the ECU charge ("WW Fee") and/or ECU's terms of service with Condor.
- 1-5 Condor currently services two other subdivisions where Condor provides gravity wastewater collection service and ECU is the wastewater treatment provider (Rose Hill and Caledonia). The Commission approved a monthly Condor Fee per home in the amount of \$10 for Rose Hill (Order No. 2012-659) and \$12 for Caledonia (Order No. 2016-74).
  - a. Please provide a detailed calculation and cost justification for the Condor Fee for Rose Hill and Caledonia;
  - b. Explain why these two subdivisions are charged different Condor Fees for the same gravity wastewater collection service;
  - c. Explain and provide the supporting calculations and cost justification to support why Condor determined the Carriage Hill subdivision will be assessed a higher Condor Fee than of the Condor Fee charged to customers in the Rose Hill or Caledonia subdivisions.
- 1-6 In regard to the Carriage Hill Service Area, the contract indicates ECU will charge Condor \$25.02 per month per home in Carriage Hill ("WW Fee"), which will be collected from the Developer or HOA and paid by Condor to ECU without markup. Does ECU charge the same monthly charge per home to Condor for customers located in Rose Hill and Caledonia? If not, provide an explanation and provide the ECU monthly charge to the Rose Hill and Caledonia subdivisions.



- 1-7 The Palmetto Pointe contract establishes a one-time upfront payment in the amount of \$18,000.00, which is payable by the developer to Condor upon receipt of the operating permit for the on-site wastewater system
  - a. Provide a detailed calculation and cost justification for the one-time upfront payment;
  - b. Please detail which National Association of Regulatory Utility Commissioners ("NARUC") Uniform System of Accounts ("USOA") account(s) Condor intends to record this payment to on its accounting books and records.
- 1-8 The Palmetto Pointe contract establishes a monthly charge of \$18.00 per home. Provide a detailed calculation and cost justification for the proposed monthly charge.
- 1-9 Both the contracts for Carriage Hill and Palmetto Pointe indicate the developers of the subdivisions will be contributing property and/or cash to Condor. The 2017 Tax Cuts and Jobs Act ("TCJA") made changes to federal tax law that have an impact on developers making infrastructure investments in the form of Contributions in Aid of Construction ("CIAC"). CIAC represents the amount of money or property advanced or contributed by a developer. As a result of the TCJA, CIAC is now considered federal taxable income to water and wastewater utilities.
  - a. Please explain how Condor will collect the federal tax associated with developers of the property and/or cash contributed to Condor by the developers;
  - b. Please provide the calculation used by Condor to calculate the federal tax liability on the CIAC it receives from each developer;
  - c. Please explain which NARUC USOA account(s) Condor will record the CIAC and the federal tax collected from the developers to on its accounting books and records.
- 1-10 In regard to Exhibit M titled "PROFORMA INCOME & EXPENSE STATEMENT" of the Application:
  - a. Provide an explanation and calculation to support the expense category titled "Utilities."
  - b. Provide a detailed calculation as to how the Company estimated the Repair & Maintenance expense in the "Added Rates" column.
  - c. Provide a detailed calculation as to how the Company estimated the Miscellaneous expense includes in the "Added Rates" column.
  - d. Is the Rate Case expense in the "Added Rates" column proposed to be amortized over a certain number of years or will it be booked as a one-time expense? If the rate case expenses will be amortized, please provide the amortization period.
  - e. Confirm that the Per Books Total Operations Operating Margin is 19.71%, an Operating Margin of 19.56% is being sought for the overall Condor operations pending approval of the proposed rates, and an Operating Margin of 17.69% is being sought for the revenue and expenses of the two new subdivisions
- 1-11 Explain why there are no depreciation expenses in Exhibits K and L in the Application related to the assets obtained by Condor via the contracts (e.g., gravity sewer, force mains, etc.).

- 1-12 Describe the proposed notification process to customers, ORS, and the Commission in the event that the pass-through wastewater treatment fee from ECU ("WW Fee") is increased. For customer notification, will individual units (e.g., households) be notified or will only the Homeowners Association be notified?
- 1-13 Regarding Condor's answer to Question 1 in *Applicant's Response to Directives* filed on August 25, 2020 in Docket No. 2020-192-S, please identify the "variety of factors" that influences the rate charged by Condor to different subdivisions as indicated by Condor in its response to Commission Order No. 2020-557
- 1-14 Please provide a detailed explanation of how the HOA collects the payment for sewer service from homeowners.
  - a. Does the HOA charge customers for sewer service? If so, how often?
  - b. Are the HOA's exempt from the Commission rules and regulations?
- 1-15 In Condor's *Applicant's Response to Directives* filed on August 25, 2020, in response to Commission Order No. 2020-557 in Docket No. 2020-192-S, Condor stated that all of the rates included in the Company's schedule of rates and charges in the Application have **not** been previously approved by the Commission (answer to Question 1). However, the Company also stated that "[t]he Company is of the belief this application contains no new rates or charges" (answer to Question 3).
  - a. Have the proposed monthly rates for Carriage Hill (\$14.98/ERC Condor Fee and \$25.02/ERC WW Fee) and Palmetto Pointe (\$18.00/ERC) been previously approved by the Commission in other proceedings? Please provide an individual response for each of the three proposed rates listed here.
  - b. If the answer is yes to any of these rates, indicate the Commission Docket No.(s) and Order(s) in which the rate was approved. If the answer is no to any of these rates, explain how approval of each rate would constitute an expansion under existing rates.
- 1-16 Commission regulations require a current Performance Bond and a current surety to be on file with the Commission. According to ORS's records, the Personal Financial Statement on file as surety for Condor has expired.
  - a. Has Condor filed a Personal Financial Statement or other approved surety with the Commission in the last year?
  - b. If the answer is yes, please provide a copy of the current Personal Financial Statement or other approved surety. If the answer is no, provide two copies of a new verified Personal Financial Statement or other approved surety.

### **2019 Wastewater Annual Report**

- 1-17 Schedule 201 and Schedule 200, Page 1, Line 2; Account 101 shows an amount of \$554,750 for Utility Plant in Service. NARUC USOA instruction for Account 101 states:  
  
*101 - Utility Plant in Service*  
*A. This account is the control account for plant accounts 351 through 398.*  
*B. This account shall include the original cost of utility plant, included in the plant accounts prescribed herein and in similar accounts for other utility departments, owned and used*

*by the utility in its utility operations, and having an expected life in service of more than one year from date of installation, including such property owned by the utility but held by nominees. Separate subaccounts shall be maintained hereunder for each utility department and/or division.*

*C. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be recorded in subdivisions separate and distinct from those relating to owned property.*

- a. Please provide any and all documents to support the calculation of Account 101 in the amount of \$554,750.
- b. Please explain the decrease in the amount of \$46,000 reflected in Account 101 on the 2018 and 2019 Annual Reports.

- 1-18 Schedule 202 and Schedule 200, Page 1, Line 10; Account 108 shows an amount of \$0.00 for Accumulated Depreciation. NARUC USOA instruction for Account 108 states:

*108 - Accumulated Depreciation*

*A. This account shall reflect the depreciation accumulated on plant used in wastewater utility service.*

*B. The utility shall maintain separate subaccounts corresponding with the depreciable plant accounts, in which the accumulated depreciation total is segregated.*

- a. Please explain why Condor did not record the depreciation of the utility plant in service identified above.

- 1-19 Schedule 206 and Schedule 200, Page 15, Line 16; Account 271 shows an amount of \$0.00 for Contributions in Aid of Construction. NARUC USOA instruction for Account 271 states:

*271 - Contributions in Aid of Construction*

*A. This account shall include:*

*1. Any amount or item of money, services or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public.*

*2. Amounts transferred from account 252 - Advances for Construction, representing unrefunded balances of expired contracts or discounts resulting from termination of contracts in accordance with the Commission's rules and regulations.*

*3. Compensation received from governmental agencies and others for relocation of sewer mains or other plants.*

*B. The credits to this account shall not be transferred to any other account without the approval of the Commission.*

*C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) states, (b) municipalities, (c) customers, and (d) others, and the amount applicable to each utility department.*

- a. Please explain where and how Condor has recorded the contributed cash and/or property that Commission approved contracts indicate has been donated to Condor.
- 1-20 Condor indicated on Schedule 300, Page 1, Lines 16 and 17, of its 2019 Wastewater Annual Report that Condor did not incur any federal or state income tax expenses during the year ending December 31, 2019. However, in Exhibit M of the Application, Condor indicates its Per Books Income Taxes were \$4,965.
- a. Please explain the difference between the 2019 Wastewater Annual Report and the Application.
  - b. If Condor did not incur any State or Federal Tax liability during calendar year 2019, please provide a detailed explanation.
  - c. Please provide copies of Condor's last five (5) year's state and federal income tax returns.
- 1-21 Condor's 2018 Wastewater Annual Report stated that Condor serviced fourteen (14) residential customers (i.e., subdivisions) and three (3) commercial customers (Schedule 130; Service Area and Customer Data Section). However, Condor's 2019 Wastewater Annual Report stated that Condor serviced thirteen (13) residential customers (i.e., subdivisions) and three (3) commercial customers (Schedule 130; Service Area and Customer Data Section).
- a. Please reconcile and explain the reduction in the number of residential customers (i.e., subdivisions) served.

/s/ Andrew M. Bateman

Andrew M. Bateman, Esquire

Alexander W. Knowles, Esquire

**South Carolina Office of Regulatory Staff**

1401 Main St., Ste. 900

Columbia, SC 29201

Phone: (803) 737-8440

(803) 737-0889

Email: [abateman@ors.sc.gov](mailto:abateman@ors.sc.gov)

[aknowles@ors.sc.gov](mailto:aknowles@ors.sc.gov)

September 3, 2020

# Invoice

Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

Date	Invoice #
9/25/2020	4743

Bill To
Acadia Owners Association P.O Box 8580 Greenville, SC 29604

**PAID**  
**10/05/2020**

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	Acadia - Monthly Maintenance & Operation of Pump Station - October 2020  ***136 Homes ***\$11.47/Per Home	1,560.00	1,560.00
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$1,560.00

# Invoice

Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

Date	Invoice #
9/25/2020	4745

Bill To
Allison's Meadows C/O HOA Community Management 400 Regent Park Court, Suite 100 Greenville, SC 29607

**PAID**  
10/05/2020

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	Monthly Fee for Maintenance & Operation of Pump Station - October 2020  ***61 Homes ***\$16.72/Per Home	1,020.00	1,020.00
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$1,020.00




# Invoice

Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

Date	Invoice #
9/25/2020	4747

Bill To	
Ascot HOA, Inc.	
P.O.Box 1827	
Greenville, SC 29602	

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
	Service and monitor work at waste water pump station - October 2020  ***130 Homes ***\$15.62/Per Home	2,030.56	2,030.56
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$2,030.56

Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

# Invoice

Date	Invoice #
9/25/2020	4750

Bill To
Cobblestone Management 400 Regent Park Ct., Suite 400 Greenville, SC 29607

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	Cobblestone - Monthly Maintenance & Operation of Pump Station - October 2020 ***148 Homes ***\$14.68/Per Home	2,173.00	2,173.00
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$2,173.00



Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

# Invoice

Date	Invoice #
9/25/2020	4751

<b>Bill To</b>
Coleman Shoals HOA Att: <span style="background-color: black; color: black;">XXXXXXXXXX</span> PMB #156 419 The Parkway Greer, SC 29650

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	Coleman Shoals - Monthly Maintenance & Operation of Pump Station - October 2020  ***54 Homes ***\$29.62/Per Home	1,600.00	1,600.00
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$1,600.00

Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

# Invoice

Date	Invoice #
9/25/2020	4752

<b>Bill To</b> Country Place HOA Attn: [REDACTED] 116 Stillcountry Circle Travelers Rest, SC 29690
--

**PAID**  
10/02/2020

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	Country Place - Monthly Maintenance & Inspection of Pump Station - October 2020	300.00	300.00
	***7 Homes		
	***\$42.85/Per Home		
	****Pump Station & Leach Field		
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$300.00

Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

# Invoice

Date	Invoice #
9/25/2020	4754

Bill To
<div style="background-color: black; width: 100px; height: 15px; margin-bottom: 5px;"></div> 1030 Briarwood Drive Easley, SC 29642

**PAID**  
**10/05/2020**

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	GPS - Monthly Maintenance & Operation of Pump Station - October 2020  ***12 Commercial Units ***\$83.19/Per Unit	998.25	998.25
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$998.25

Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

# Invoice

Date	Invoice #
9/25/2020	4757

Bill To
High Grove Estates C/O NHE Inc. P.O Box 5539 Greenville, SC 29606

**PAID**  
10/08/2020

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	High Grove - Monthly Monitoring & Maintenance of Pump Station - October 2020 ***187 Homes ***\$16.28/Per Home	3,045.00	3,045.00
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$3,045.00

ACCEPTED FOR PROCESSING - 2020 December 15 10:33 AM - SCPSC - 2020-275-S - Page 20 of 46

Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

# Invoice

Date	Invoice #
9/25/2020	4759

Bill To
Mountain Creek Landing 215 Biddeford Place Greenville, SC 29609

**PAID**  
10/08/2020

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	Mountain Creek - Monthly Monitoring & Inspection of Septic Tank System - October 2020  ***23 Homes ***\$8.47/Per Home  ****Community Septic System/Drain Field	195.00	195.00
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$195.00

Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

# Invoice

Date	Invoice #
9/25/2020	4749

<b>Bill To</b> Caledonia - C/O [REDACTED] HOA Community Management, LLC 400 Regent Ct, Suite 100 Greenville, SC 29607
---

**PAID**  
10/05/2020

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	Caledonia - Monthly Sewer Usage Fee Charge for Maintenance & Monitoring of the Gravity Sewage Collection Lines - October 2020  ***Reflects Easley Combined Utilities Usage Charge Increase = \$25.52/Home ***Reflects Condor's Sewer Service Line Charge = \$12.50/Home  ****\$37.52/Home ****262 Homes	7,033.70	7,033.70
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$7,033.70



Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

# Invoice

Date	Invoice #
9/25/2020	4764

Bill To
Rose Hill Upstate HOA Cedar Management Group P.O Box 26844 Charlotte, NC 28221

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	<p>Rose Hill - Monthly Monitoring &amp; Maintenance of the Gravity Sewer Collection Lines - October 2020</p> <p>***262 Homes ***\$25.52/ Per Home to Easley Combined Utility ***\$12.50/Per Home to Condor</p>	9,961.24	9,961.24
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$9,961.24

Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

# Invoice

Date	Invoice #
9/25/2020	4767

<b>Bill To</b>
Thornblade Crossing HOA, Inc. c/o Chastine Property Management 38 Parkway Commons Way Greer, SC 29650

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
	Service and monitor work at waste water pump station - October 2020 ***119 Homes ***\$11.79/Per Home	1,402.73	1,402.73
<b>Total</b>			\$1,402.73



Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

# Invoice

Date	Invoice #
9/25/2020	4769

Bill To
Victoria Park #577 400 Regent Park Court Suite 100 Greenville, SC 29607

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	Victoria Park - Monthly Maintenance & Monitoring of Pump Station - October 2020 ***225Homes ***\$18/Per Home	4,050.00	4,050.00
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$4,050.00

Condor Environmental, Inc.

PO BOX 462  
 GREER, SC 29652

# Invoice

Date	Invoice #
9/25/2020	4770

Bill To Palmetto Properties, LLC. 531 Spaulding Farms Road Greenville, SC 29615 Att: <span style="background-color: black; color: black;">XXXXXXXXXX</span>
---

**PAID**  
**10/05/2020**

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	White Horse - Monthly Monitoring & Maintenance of Pump Station - October 2020 ***15 Commercial Units ***\$66.67/Per Unit	1,000.00	1,000.00
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$1,000.00

Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

# Invoice

Date	Invoice #
9/25/2020	4753

<b>Bill To</b> c. [REDACTED] C/O Fairview Chase P.O Box 16059 Greenville, SC 29606
--

**PAID**  
10/02/2020

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	Fairview Chase - Monthly Maintenance & Operation of Pump Station - October 2020 ***9 Homes/Structures ***\$33.33/Per Home/Structure	300.00	300.00
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$300.00

Condor Environmental, Inc.  
PO BOX 462  
GREER, SC 29652

1 of 3

# Invoice

Date	Invoice #
9/25/2020	4756

Bill To
Extra Space Storage 168 Farm Lake Road Boiling Springs, SC 29316

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	Extra Space Storage - Monthly Maintenance & Monitoring of the Boiling Springs Pump Station - September 2020  ***3 Commercial Units (ALDI, Bojangles, Extra Space Storage) ***Each Unit Pays 1/3 of \$900 Monthly Fee	300.00	300.00
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$300.00

Condor Environmental, Inc.  
PO BOX 462  
GREER, SC 29652

2 of 3

# Invoice

Date	Invoice #
9/25/2020	4771

<b>Bill To</b> Boj of Western North Carolina 131 Glenn Bridge Road Arden, NC 28704
---

**PAID**  
10/19/2020

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	Bojangles - Monthly Maintenance & Monitoring of the Boiling Springs Pump Station - September 2020  ***3 Commercial Units (ALDI, Bojangles, Extra Space Storage) ***Each Unit Pays 1/3 of \$900 Monthly Fee	300.00	300.00
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$300.00

ACCEPTED FOR PROCESSING - 2020 December 15 10:33 AM - SCPSC - 2020-275-S - Page 29 of 46

Condor Environmental, Inc.

PO BOX 462  
GREER, SC 29652

343

# Invoice

Date	Invoice #
9/25/2020	4744

Bill To
ALDI Inc. (Georgia) 1597 Dry Pond Road Jefferson, Ga 30549

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
	ALDI - Monthly Maintenance & Monitoring of the ALDI - Boiling Springs Pump Station - September 2020  ***3 Commercial Units (ALDI, Bojangles, Extra Space Storage) ***Each Unit Pays 1/3 of \$900 Monthly Fee	300.00	300.00
Please call Jason Weaver at 864-469-9715 if you have any questions.		<b>Total</b>	\$300.00

ACCEPTED FOR PROCESSING - 2020 December 15 10:33 AM - SCPSC - 2020-275-S - Page 30 of 46





Office of Regulatory Staff  
1401 Main Street  
Suite 900  
Columbia, SC 29201  
(803) 737-0800  
ORS.SC.GOV

**KYLE MAURER Sr, PhD, PE**

Deputy Director  
Water Operations

November 16, 2020

**VIA ELECTRONIC MAIL**

Mr. Brad Weaver  
Condor Environmental, Inc.  
PO Box 462  
Greer, SC 29652

**Re: Billing Statement Review**

Dear Mr. Weaver,

The South Carolina Office of Regulatory Staff ("ORS") received customer billing statements dated September 25, 2020 from Condor Environmental, Inc. ("Condor") on October 23, 2020. After review of the Condor billing statements, ORS identified several billing statements that do not appear to contain rates approved by the Public Service Commission of South Carolina ("Commission"). The details of ORS's review of the Condor billing statements are provided below (by subdivision) to assist you.

ORS requests that Condor provide a written response to ORS addressing discrepancies between the billing statements and the Commission-approved rate schedules. Please provide the response by no later than December 4, 2020.

1) Acadia Subdivision

Commission Order No. 2012-824

- Approved Monthly Rate for Sewer Service: \$1,000 per month for the first 70 homes. (per Application)
- Approved Additional House Fee: At the initiation of wastewater flow from the forty-first house to be served and thereafter for each additional house served within the respective Phase, the additional Monthly Fee for each Phase shall be the \$400.00 base, plus \$ 10.00 per each additional house (the "Additional House Fee"). (per Contract)
- Annual Increase Amount: On an annual basis, with thirty (30) days prior notice to Acadia, Condor shall have the right to increase the amount of the Monthly Fee, the Additional House Fee and the Commercial Building Fee at any time, in order to compensate Condor for any reasonable increase in the cost and expense to Condor of performing its responsibilities under this Agreement, and further provided that the increase in the resulting Monthly Fee shall not be increased by more than either ten (10%) percent or the amount allowed by the Commission if approval is required. (per Contract)

November 16, 2020  
Page 2 of 6

Condor Billing Statement for Acadia Subdivision (Invoice #4743)

- 136 homes
- \$11.47/Home
- Total billed amount of \$1,560

ORS Question 1-1: Please provide a reconciliation of the charges contained on Invoice #4743 for the Acadia Subdivision to the rates approved by the Commission in Order No. 2012-824.

- a) Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service are \$11.47/home and a total billed amount of \$1,560.
- b) If the monthly charges have changed from the Commission-approved rate, please provide the date(s) of the change(s) and the Commission Order number(s) authorizing the change.
- c) If Commission approval was not obtained for a change in rates, please explain why Commission approval of the change was not obtained.
- d) Please provide a copy of the notice(s) provided to Acadia Subdivision for any change in rates and charges.

2) Caledonia Subdivision

Commission Order No. 2016-74

- Approved Monthly Rate for Sewer Service: \$35.00 Monthly Fee, of which \$23.00 represents the current monthly wastewater treatment fee (the "WW fee") charged by Easley Combined Utilities ("ECU") and \$12.00 is Condor's operation and maintenance fee ("Condor fee"). (per Contract)
- Annual Increase Amount: Upon no less than ninety (90) days prior notice to Caledonia or the Association, Condor shall have the right to increase the amount of the Condor fee at any time, in order to compensate Condor for any reasonable increase in the cost and expense to Condor of performing its responsibilities under this Agreement, provided that such increase shall be approved by the Commission and further provided that the increase in the said Condor Fee shall not increase by more than ten (10%) percent in any twelve month period, and the total Monthly Fee shall not be increased by more than ten (10%) percent in any twelve month period. (per Contract)
- Pass-through of ECU fee increases: Condor may increase the WW Fee, without markup, and the Monthly Fee by that corresponding amount, whenever such fee is raised by ECU. (per Contract)
- Other provisions of the Order:
  - Condor shall furnish this Commission and ORS with satisfactory proof of the basis for the adjustment and the billing method to be utilized prior to the proposed effective date. (per Order)
  - Company shall also furnish written notice to the Company's customers affected by the adjustment thirty days prior to the proposed implementation of the new adjustment and advise them of the basis for the billing adjustment and its effective date. (per Order)

Condor Billing Statement for Caledonia Subdivision (Invoice #4749)

- 262 homes
- \$37.52/ Home, which consists of \$25.52/Home WW fee and \$12.50/Home Condor fee (Note: the Per Home rate does not equal the sum of the listed WW fee and Condor fee)
- Total billed amount of \$7,033.70



November 16, 2020  
Page 3 of 6

---

ORS Question 2-1: Please provide a reconciliation of the charges contained on Invoice #4749 for the Caledonia Subdivision to the rates approved by the Commission in Order No. 2016-74.

- a) Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service are \$37.52/home and a total bill amount of \$7,033.70.
- b) If the monthly charges have changed from the Commission-approved rate, please provide the date(s) of the change(s) and the Commission Order number(s) authorizing the change.
- c) If Commission approval was not obtained for a change in rates, please explain why Commission approval of the change was not obtained.
- d) Please provide a copy of the notice(s) provided to Caledonia Subdivision for any change in rates and charges.

3) Country Place Subdivision

Commission Order No. 2012-824

- Approved Monthly Rate for Sewer Service: The Owner shall pay the Operator the sum of \$5,070.00 per "year" for the first year and increasing by three (3) percent each subsequent year, paid monthly for inspections, routine operation procedures and reports. (per Contract)

Condor Billing Statement (Invoice #4752)

- 7 homes
- \$42.85/Home
- Total billed amount of \$300.00

ORS Question 3-1: Please provide a reconciliation of the charges contained on Invoice #4752 for the Country Place Subdivision to the rates approved by the Commission in Order No. 2012-824.

- a) Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service are \$42.85/home for a total billed amount of \$300.00.
- b) If the monthly charges have changed from the Commission-approved rate, please provide the date(s) of the change(s) and the Commission Order number(s) authorizing the change.
- c) If Commission approval was not obtained for a change in rates, please explain why Commission approval of the change was not obtained.
- d) Please provide a copy of the notice(s) provided to Country Place Subdivision for any change in rates and charges.

4) Fairview Chase Subdivision

Commission Order No. 2012-824

- Approved Monthly Rate for Sewer Service: \$825.00 per month (per Contract)
- Annual Increase Amount: Upon no less than ninety (90) days prior notice to Fairview or the Association, Condor shall have the right to increase the amount of the Monthly Fee at any time, in order to compensate Condor for any reasonable increase in the cost and expense to Condor of performing its responsibilities under this Agreement, and further provided that the increase in the Monthly Fee shall not be increased by more than ten (10%) percent in any twelve month period. (per Contract)

Condor Billing Statement (Invoice #4753)

- 9 Homes/Structures
- \$33.33/Per Home/Structure
- Total billed amount of \$300.00

November 16, 2020  
Page 4 of 6

ORS Question 4-1: Please provide a reconciliation of the charges contained on Invoice #4753 for the Fairview Chase Subdivision to the rates approved by the Commission in Order No. 2012-824.

- a) Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service are \$33.33/home for a total billed amount of \$300.00.
- b) If the monthly charges have changed from the Commission-approved rate, please provide the date(s) of the change(s) and the Commission Order number(s) authorizing the change.
- c) If Commission approval was not obtained for a change in rates, please explain why Commission approval of the change was not obtained.
- d) Please provide a copy of the notice(s) provided to Fairview Chase Subdivision for any change in rates and charges.

5) Rose Hill Subdivision

Commission Order No. 2012-659

- Approved Monthly Rate for Sewer Service: \$30.00 Monthly Fee, of which \$20.00 represents the current monthly wastewater treatment fee (the "WW fee") charged by ECU and \$10.00 is the Condor fee. (per Contract)
- Annual Increase Amount: Upon no less than ninety (90) days prior notice to Poinsett Development, LLC or the Association, Condor shall have the right to increase the amount of the Condor Fee at any time, in order to compensate Condor for any reasonable increase in the cost and expense to Condor of performing its responsibilities under this Agreement; provided, however, that said Condor Fee shall not increase by more than ten (10%) percent in any twelve month period. (per Contract)
- Pass-through of ECU fee increases: Condor may increase the WW fee, without markup, and the Monthly Fee by that corresponding amount, whenever such fee is raised by ECU. (per Contract)
- Other provisions of the Order: If the Commission jurisdiction is specifically applied to the gravity sewer in this subdivision, then no increase in the Monthly Fee shall be implemented unless first approved by the Commission. (per Contract)

Condor Billing Statement (Invoice #4764)

- 262 homes
- \$25.52/ Home WW fee
- \$12.50/ Home Condor fee
- Total billed amount of \$9,961.24

ORS Question 5-1: Please provide a reconciliation of the charges contained on Invoice #4764 for the Rose Hill Subdivision to the rates approved by the Commission in Order No. 2012-659.

- a) Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service are \$25.52/home, \$12.50/home Condor Fee, and a total billed amount of \$9,961.24.
- b) If the monthly charges have changed from the Commission-approved rate, please provide the date(s) of the change(s) and the Commission Order number(s) authorizing the change.
- c) If Commission approval was not obtained for a change in rates, please explain why Commission approval of the change was not obtained.
- d) Please provide a copy of the notice(s) provided to Rose Hill Subdivision for any change in rates and charges.

November 16, 2020  
Page 5 of 6

6) Thornblade Crossing Subdivision

Commission Order No. 2012-824

- Approved Monthly Rate for Sewer Service: \$1,444.00 Monthly Pump Station Fee (per Application)
- Annual Increase Amount: Upon no less than ninety (90) days prior notice to the Association, Condor shall have the right to increase the amount of the Monthly Pump Station Fee at any time, in order to compensate Condor for any reasonable increase in the cost and expense to Condor of performing its responsibilities under this Agreement, provided that such increase shall be approved in advance by the Commission and further provided that the increase in the Monthly Pump Station Fee shall not be increased by more than three (3%) percent in any twelve month period. (per Contract)

Condor Billing Statement (Invoice #4767)

- 119 Homes
- \$11.79/Per Home
- Total billed amount of \$1,402.73

ORS Question 6-1:

Please provide a reconciliation of the charges contained on Invoice #4767 for the Thornblade Crossing Subdivision to the rates approved by the Commission in Order No. 2012-824.

- a) Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service are \$11.79/home and a total billed amount of \$1,402.73.
- b) If the monthly charges have changed from the Commission-approved rate, please provide the date(s) of the change(s) and the Commission Order number(s) authorizing the change.
- c) If Commission approval was not obtained for a change in rates, please explain why Commission approval of the change was not obtained.
- d) Please provide a copy of the notice(s) provided to Thornblade Crossing Subdivision for any change in rates and charges.

7) Other Billing Discrepancies

Additionally, each billing statement provided by Condor lists the number of units served, a per/unit rate, and a total amount billed. However, the total amount billed does not equal the number of units multiplied by the per/unit rate in several subdivisions. For example, the Cobblestone Cove subdivision lists 148 homes at \$14.68 per home, which equals \$2,172.64 when multiplied together. However, the total amount billed is \$2,173.00. The subdivisions where this discrepancy exists are:

Acadia  
Allison's Meadow  
Ascot  
Caledonia  
Cobblestone Cove  
Coleman Shoals  
Country Place  
Fairview Chase  
GPS Center  
High Grove Estates  
Mountain Creek Landing  
White Horse

November 16, 2020  
Page 6 of 6

---

ORS Question 7-1:

Please reconcile the differences in total amount billed, number of units served, and per/unit rate for the above subdivisions.

- a) Please provide all supporting calculations relied upon by Condor to determine the monthly charges for sewer service for the above subdivisions.

ORS Question 7-2:

- a) Please provide a September 2020 billing statement for Five Forks Plantation. A rate was approved for Five Forks Plantation by the Commission in Order No. 2012-824.
- b) If Condor does not provide sewer service to Five Forks Plantation, please explain why service is no longer provided to customers and provide the date when Condor stopped serving the customers in Five Forks Plantation.

Please review the enclosed information and provide a response to ORS by no later than December 4, 2020. If you have any questions regarding this matter please contact me at (803)-737-0959 or [kmaurer@ors.sc.gov](mailto:kmaurer@ors.sc.gov) at your earliest convenience.

Sincerely,

*Kyle Maurer*

Kyle Maurer Sr, PhD, PE  
Deputy Director, Water Operations

Encl: Condor Customer Billing Statements dated September 25, 2020

cc: Charlie Terreni, Esq. (via email)  
Alex Knowles, Esq. (via email)

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2020-275-S**

**EXHIBIT D  
FILED UNDER SEAL**

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2020-275-S**

**December 14, 2020**

**IN RE:** Application of Condor Environmental,  
Incorporated Requesting an Expansion of Its  
Existing Sewer Service Areas to Include Certain  
Portions of Anderson County and Saluda County,  
and Approval of Agreements

**SOUTH CAROLINA OFFICE OF  
REGULATORY STAFF'S FIRST  
AND CONTINUING REQUEST  
FOR BOOKS, RECORDS, AND  
OTHER INFORMATION**

**TO: CHARLES L. A. TERRENI, ESQ.,**  
**ATTORNEY FOR CONDOR ENVIRONMENTAL, INC.:**

**I. INSTRUCTIONS**

The South Carolina Office of Regulatory Staff (“ORS”) hereby requests pursuant to S.C. Code Ann. §§ 58-4-55 and 58-5-230 that Condor Environmental, Inc. (“Condor” or the “Company”) provide responses to the following requests for books, records, and other information electronically and under oath to [kmaurer@ors.sc.gov](mailto:kmaurer@ors.sc.gov), [dhunnell@ors.sc.gov](mailto:dhunnell@ors.sc.gov), [jnelson@ors.sc.gov](mailto:jnelson@ors.sc.gov), and [aknowles@ors.sc.gov](mailto:aknowles@ors.sc.gov), within fifteen (15) business days of receipt of these requests. If you are unable to respond to any of the requests, or part or parts thereof, please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.

As used in these requests, “identify” means, when asked to identify a person, to provide the full name, business title, address and telephone number. As used in these requests, “address” means mailing address and business address. When asked to identify or provide a document, “identify” and “provide” mean to provide a full and detailed description of the document and the name and address of the person who has custody of the document. In lieu of providing a full and detailed description of a document, a copy of the document may be attached with the identity of the person who has custody of it. When the word “document” is used herein, it means any written, printed, typed, graphic, photographic, or electronic matter of any kind or nature and includes, but is not limited to, statements, contracts, agreements, reports, opinions, graphs, books, records, letters, correspondence, notes, notebooks, minutes, diaries, memoranda, transcripts, photographs, pictures, photomicrographs, prints, negatives, motion pictures, sketches, drawings, publications, and tape recordings.

Wherever in this request a masculine pronoun or possessive adjective appears, it refers to both males and females in accordance with traditional English usage.

**IT IS THEREFORE REQUIRED:**

- Pursuant to S.C. Code Ann. § 58-4-55(A) that responses be submitted under oath.
- In addition to the signature and verification at the close of the responses, the witness(es), employee(s), contractor(s), or agent(s) responsible for the information contained in each response shall be indicated at the bottom of each response.

- All information provided shall be provided in electronic form only unless otherwise requested. All information available in Excel spreadsheets shall be provided in Excel. All Excel spreadsheets shall be working copies with all formulas, links and calculations intact.
- All electronic documents provided must be provided in native file format with all formulas, links and calculations intact. Responses containing .pdf documents must be searchable. Each electronic file must be clearly marked with the Response number.
- Any inquiries or communications relating to questions concerning clarification of the information requested below should be directed to Kyle D. Maurer, Sr., PhD, P.E. [803.737.0959], Daniel P. Hunnell [803.737.0780], Jeffrey M. Nelson, Esquire [803.737.0823] or Alex W. Knowles, Esquire [803.737.0889] of ORS.
- That this entire list of requests be reproduced and included in front of each set of responses.
- If the response to any request is that the information requested is not currently available, please advise ORS and state when the information requested will be available and provided to the ORS. This statement is not a waiver of the deadline for all other responses.
- This request is continuing and requires the Company to supplement or amend its responses as any additional information becomes available.
- For every page produced to ORS that contains confidential information, the page is to be marked "CONFIDENTIAL" in the header. Any specific information which the Company designates as confidential information must also be marked by notation, highlighting, or other conspicuous means.

## II. REQUESTS

### Carriage Hill Subdivision

- 1-1 Please provide a detailed calculation and cost justification for the \$14.98 per equivalent residential customer ("ERC") monthly Condor operations and maintenance fee ("Condor Fee"), which the Gravity Sewer Agreement ("CH Agreement") states that Condor may apply to the Commission as an "Initial Increase."
- 1-2 The Carriage Hills Homeowner's association is currently governed by the developer of the subdivision. Please provide a detailed explanation of how Condor has determined the CH Agreement is in the public interest and in the interest of the future homeowners of the subdivision. Please specifically address the provision listed in the CH Agreement that restricts the homeowners ability to participate in a future rate proceeding by contractually requiring the homeowner's association to provide a letter of no objection to the an initial rate increase request for the proposed Initial Increase amount of up to \$14.98.
- 1-3 The CH Agreement contains a provision in which the developer agrees to pay Condor's reasonable fees and costs of inspections during construction and prior to the transfer and conveyance of the gravity sewer, not to exceed \$10,000. The CH Agreement also contains a provision in which the



developer agrees to pay Condor's reasonable attorney fees, not to exceed \$3,000 associated with the CH Agreement and transfer of the gravity sewer to Condor.

- a. Please provide a detailed calculation and cost justification for the payment(s) not to exceed \$10,000 for inspections;
- b. Please provide the name of the subdivision, Docket and Order Number where the Commission approved the payment(s) not to exceed \$10,000 for inspections of a gravity sewer system;
- c. Please provide a detailed calculation and cost justification for the payment(s) of up to \$3,000 for reasonable attorney fees;
- d. Provide the name of the subdivision, Docket and Order Number where the Commission approved payment(s) of \$3,000 for reasonable attorney fees; and
- e. Please identify if Condor received any payments from the developer of the Carriage Hill Service Area associated with the inspection fees and/or reasonable attorney fees clauses of the contract? If so, please provide the amounts and dates of the payments.

### **Palmetto Pointe Subdivision**

- 1-4 The Onsite Wastewater System Agreement for Palmetto Pointe ("PP Agreement") states that the developer or the association shall deliver to Condor a one-time payment in the amount of \$18,000 as upfront payment to reimburse Condor's costs to include, but not limited to, all steps necessary to satisfy Condor of the condition of the Onsite Wastewater System and Condor's attorney fees associated with the PP Agreement.
  - a. Please provide a detailed calculation and cost justification for the one-time upfront payment of \$18,000;
  - b. Please provide the name of the subdivision, Docket and Order number where the Commission has previously approved this one-time payment or combination of one-time payments that result in the \$18,000 payment; and
  - c. Please identify if Condor received any payments related to this clause of the contract? If so, provide the amount of and date the payment was received and from whom (i.e., developer or association).
- 1-5 In regard to Item No. 24 of the Application, Condor indicates it wants to expand its service area to Palmetto Pointe under the rates previously approved by the Commission for the County Place subdivision in Order No. 2012-824. The Commission approved rate for County Place in Order No. 2012-824 is \$5,070 per year for the entire subdivision. The contract for Palmetto Pointe establishes a monthly charge of \$8.80 per ERC per month for up to 48 ERCs. \$8.80 per ERC per month x 48 ERCs x 12 months is equal to \$5,068.80 for the year. Please reconcile and/or provide an explanation as to how the rates approved in Order No. 2012-824 and the proposed rates for Palmetto Pointe are equivalent.
- 1-6 For both the Country Place and Palmetto Pointe subdivisions, please answer the following (e.g., there should be a response for each subdivision):
  - a. Does Condor or the homeowner's association own the assets of the sewer system?
  - b. Is Condor or the homeowner's association fiscally responsible for any repairs or replacements of the sewer system?
  - c. Is Condor or the homeowner's association responsible for the expense of pumping out the septic tanks?
  - d. If there are any differences in service or responsibilities identified in a.-c. above, please provide a detailed explanation of how Condor would be providing similar service to the Country Place

and Palmetto Pointe subdivisions and provide a cost justification calculation showing how the rates for these two subdivisions should be the same.

- 1-7 The PP Agreement establishes toxic and effluent obligations on the homeowners of Palmetto Pointe. The contract establishes homeowners to not flush excessive contaminants or other deleterious substances; and not flush items such as Swiffer rags, paper towels, and baby wipes or any other material which will clog their septic tank. The contract approved by the Commission in Order No. 2012-824 for the County Place subdivision does not contain comparable toxic and effluent obligations. Please provide the name of any subdivision along with the Docket No. and Order No. in which the Commission has approved toxic and effluent guidelines equivalent to the ones in the PP Agreement.
- 1-8 Please provide a detailed calculation and cost justification for the \$18.00 per ERC monthly fee, which the PP Agreement states that Condor may apply to the Commission as an "Initial Increase."
- 1-9 The Palmetto Pointe Homeowner's association is currently governed by the developer of the subdivision. Please provide a detailed explanation of how Condor has determined the PP Agreement is in the public interest and in the interest of the future homeowners of the subdivision. Please specifically address the provision listed in the PP Agreement that restricts the homeowners ability to participate in a future rate proceeding by contractually requiring the homeowner's association to provide a letter of no objection to the an initial rate increase request for the proposed Initial Increase amount of up to \$18.00.

#### **General Application Questions**

- 1-10 Both the contracts for Carriage Hill and Palmetto Pointe indicate the developers of the subdivisions will be contributing property and/or cash to Condor. The 2017 Tax Cuts and Jobs Act ("TCJA") made changes to federal tax law that have an impact on developers making infrastructure investments in the form of Contributions in Aid of Construction ("CIAC"). CIAC represents the amount of money or property advanced or contributed by a developer. As a result of the TCJA, CIAC is now considered federal taxable income to water and wastewater utilities.
  - a. Please explain how Condor will collect the federal tax associated with developers of the property and/or cash contributed to Condor by the developers; and
  - b. Please provide the calculation used by Condor to calculate the federal tax liability on the CIAC it receives from each developer.
- 1-11 Commission Order No. 2018-308, in Docket No. 2017-381-A required all regulated utilities, including Condor, to establish a regulatory liability to track and defer the impacts resulting from the TCJA. Please provide the National Association of Regulatory Utility Commissioners ("NARUC") Uniform System of Accounts ("USOA") account Condor has used to establish the regulatory liability and provide a detail calculation of the balance in that account as of November 30, 2020.
- 1-12 Please provide a balance sheet organized in accordance with NARUC USOA as of November 30, 2020.
- 1-13 Please provide an income statement organized in accordance with NARUC USOA for the twelve months ended November 30, 2020.

- 1-14 Please provide a detailed calculation of the Condor's per book Operating Margin for the twelve months ended November 30, 2020.
- 1-15 Please provide copies of any correspondence, requests for information, and responses, oral or written, including but not limited to those made or received in electronic format, to or from any other party in this docket.

**2019 Wastewater Annual Report**

- 1-16 Schedule 201 and Schedule 200, Page 1, Line 2; Account 101 shows an amount of \$554,750 for Utility Plant in Service. NARUC USOA instruction for Account 101 states:

*101 - Utility Plant in Service*

*A. This account is the control account for plant accounts 351 through 398.*

*B. This account shall include the original cost of utility plant, included in the plant accounts prescribed herein and in similar accounts for other utility departments, owned and used by the utility in its utility operations, and having an expected life in service of more than one year from date of installation, including such property owned by the utility but held by nominees. Separate subaccounts shall be maintained hereunder for each utility department and/or division.*

*C. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be recorded in subdivisions separate and distinct from those relating to owned property.*

- a. Please provide any and all documents to support the calculation of Account 101 in the amount of \$554,750; and
- b. Please explain the decrease in the amount of \$46,000 reflected in Account 101 on the 2018 and 2019 Annual Reports.
- 1-17 Schedule 202 and Schedule 200, Page 1, Line 10; Account 108 shows an amount of \$0.00 for Accumulated Depreciation. NARUC USOA instruction for Account 108 states:
- 108 - Accumulated Depreciation*
- A. This account shall reflect the depreciation accumulated on plant used in wastewater utility service.*
- B. The utility shall maintain separate subaccounts corresponding with the depreciable plant accounts, in which the accumulated depreciation total is segregated.*
- a. Please explain why Condor did not record the depreciation of the utility plant in service identified above.
- 1-18 Schedule 206 and Schedule 200, Page 15, Line 16; Account 271 shows an amount of \$0.00 for Contributions in Aid of Construction. NARUC USOA instruction for Account 271 states:

*271 - Contributions in Aid of Construction*

*A. This account shall include:*

*1. Any amount or item of money, services or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public.*

2. Amounts transferred from account 252 - Advances for Construction, representing unrefunded balances of expired contracts or discounts resulting from termination of contracts in accordance with the Commission's rules and regulations.

3. Compensation received from governmental agencies and others for relocation of sewer mains or other plants.

B. The credits to this account shall not be transferred to any other account without the approval of the Commission.

C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) states, (b) municipalities, (c) customers, and (d) others, and the amount applicable to each utility department.

a. Please explain where and how Condor has recorded the contributed cash and/or property that Commission approved contracts indicate has been donated to Condor.

1-19 Condor indicated on Schedule 300, Page 1, Lines 16 and 17, of its 2019 Wastewater Annual Report that Condor did not incur any federal or state income tax expenses during the year ending December 31, 2019.

a. If Condor did not incur any State or Federal Tax liability during calendar year 2019, please provide a detailed explanation; and

b. Please provide copies of Condor's last five (5) year's state and federal income tax returns.

#### 2020 ORS Billing Statement Review

1-20 In regard to the Acadia Subdivision, please reconcile the number of homes listed on the October 2020 bill statement of 136 homes with the 137 homes Condor identified in response to ORS [REDACTED]. Whether 136 or 137 homes, the calculations provided by the Company in response to ORS [REDACTED] do not appear to align to the language found in the approved contract for the Acadia subdivision.

a. Provide the number of homes in Phase 1 and the number of homes in Phase 2 and provide a detailed calculation of the October 2020 billed amount that aligns with the contract language.

1-21 In regard to the Caledonia Subdivision, page 3 of the Gravity Sewer Agreement between Condor, Caledonia of the Upstate, Caledonia Homeowner's Association, and Easley Combined Utilities states "Condor shall have the right to increase the amount of the Condor fee any time, in order to compensate Condor for any reasonable increase in the cost and expense to Condor of performing its responsibilities under this Agreement, **provided that such increase shall be approved by the South Carolina Public Service Commission.**" {emphasis added}

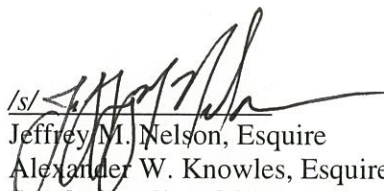
a. Please provide a detailed explanation for why Commission approval was not sought prior to the Company's increase to the Condor Fee to \$12.50 per month.

1-22 In regard to the Caledonia Subdivision, page 2 of Commission Order No. 2012-824 states "the Company requested that the Commission grant Condor the ability to implement any future increases from the sewer treatment provider for the Caledonia Subdivision without a full-fledged rate case. This amount would be the charge from Easley Combined Utilities and is delineated as the "monthly wastewater treatment fee or "WW fee." This request is approved as a part of the Company's Application, but with several conditions. First, **Condor shall furnish this Commission**

and ORS with satisfactory proof of the basis for the adjustment and the billing method to be utilized prior to the proposed effective date.” {emphasis added}

- a. Provide a detailed explanation for why the proof required by Commission Order No. 2012-824 was not provided to ORS and the Commission.
  - b. Provide the date, increase amount, and any notifications sent for each time Condor increased the WW Fee.
- 1-23 In regard to the County Place subdivision, the Commission approved a yearly rate for the entire subdivision in the amount of \$5,070 in Order No. 2012-824. Condor provided ORS with a billing statement dated September 25, 2020 which indicates Condor is billing County Place \$300.00 per month or \$3,600 per year.
  - a. Please provide the date which Condor discontinued charging the County Place subdivision the Commission approved rate of \$5,070 per year;
  - b. Did Condor enter into a new or revised agreement or contract with County Place to establish the new rate of \$3,600 per year? If so, please provide a copy of the new or revised agreement or contract and the date and explain why the Company did not comply with S.C. Regulation 103-541; and
  - c. Please provide an explanation how the Company complied with S.C. Regulation 103-503.
- 1-24 In regard to the Fairview Chase Subdivision, the Commission approved a monthly rate in the amount of \$825 in Order No. 2012-824. Condor provided ORS with a billing statement dated September 25, 2020 which indicates Condor is billing County Place \$300.00 per month.
  - a. Did Condor enter into a new or revised agreement or contract with the Fairview Chase Subdivision? If so, please provide a copy of the new or revised agreement or contract and explain why the Company did not comply with S.C. Regulation 103-541;
  - b. Please provide the date Condor began charging the new rate; and
  - c. Please provide an explanation how the Company complied with S.C. Regulation 103-503.
- 1-25 In regard to the Rose Hill Subdivision, Order No. 2012-659 establishes Commission jurisdiction over the Rose Hill service territory pursuant to S.C. Code § 58-5-210 and S. C. Code Ann. Regs. 103-501, 103-504 and 103-541. On page 4 of the Gravity Sewer Agreement (Exhibit C of the Application) in Docket No. 2012-101-S it states “if **Public Service Commission (PSC) jurisdiction is specifically applied to the gravity sewer in this subdivision, then no increase in the Monthly Fee shall be implemented until first approved by the PSC.**” {emphasis added}
  - a. Please provide the date, increase amount, and any notifications sent for each time Condor increased the original Commission approved rates of \$10.00 per month per home (“Condor Fee”) or \$20.00 per month per home (“WW Fee,” collectively the “Monthly Fee”); and
  - b. Please provide a detailed explanation why Condor increased the Condor Fee and WW Fee without Commission approval and how the Company complied with S.C. Regulation 103-503.
- 1-26 In regard to the Five Forks Plantation subdivision, Commission Order No. 2012-824 granted Condor the right to extend service to this subdivision. Condor [REDACTED] notified ORS that it discontinued providing service to this subdivision in 2019.
  - a. Please provide the exact date Condor discontinued sewer service to this subdivision;
  - b. Please explain why Condor discontinued providing sewer service to this subdivision;
  - c. Please explain how this subdivision is currently receiving sewer service; and

- d. Please explain why the Company did not notify the Commission of the discontinuation of service.

  
/s/ Jeffrey M. Nelson, Esquire  
Alexander W. Knowles, Esquire  
**South Carolina Office of Regulatory Staff**  
1401 Main St., Ste. 900  
Columbia, SC 29201  
Phone: (803) 737-0823  
(803) 737-0889  
Email: [jnelson@ors.sc.gov](mailto:jnelson@ors.sc.gov)  
[aknowles@ors.sc.gov](mailto:aknowles@ors.sc.gov)

December 14, 2020